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ABSTRACT

This document invites initial outline bids from consortia of higher education institutions, further education colleges, and other partners to establish New Technology Institutes (NTIs) in England. NTIs, which are intended to operate beginning autumn 2002, will be designed to meet regional needs for increasing the supply of people with technician and higher level skills in information and communications technologies and other advanced technologies. They are also being designed to make available better advice and support to small and medium sized enterprises through improved links with higher and further education. Building consortia must consist of at least one higher education institution, one further education institution, and one private sector organization. A total of 25 million British pounds in capital funding will be available over 2 years from April 2002 to establish NTIs. The funding will allow for up to two NTIs in each region. Consortia will be expected to bid in parallel for additional student number places so that the enhanced capital facilities can support expanded provisions for students. Consortia will also need to demonstrate substantial contributions from other funding sources. Annex A contains a template for the first stage bids, and Annex B lists members of the NTI steering group. (SLD)

ED 455 735

Invitation

July 01/47

Respond by 19 October 2001

New Technology Institutes

Invitation to bid for funds

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New Technology Institutes

Invitation to bid for funds

To	Heads of HEFCE-funded higher education institutions Heads of HEFCE-funded further education colleges Heads of non-HEFCE funded further education colleges
Of interest to those responsible for	Strategy, Curriculum, Estates, Finance
Reference	01/47
Publication date	July 2001
Enquiries to	Nicola Oates tel 0117 931 7308 e-mail n.oates@hefce.ac.uk

Executive summary

Purpose

1. This document invites initial outline bids from consortia of higher education institutions (HEIs), further education colleges (FECs) and other partners to establish New Technology Institutes (NTIs).

Key points

2. NTIs are intended to operate from autumn 2002.

3. The core purpose of an NTI will be to meet regional needs for:

a. Increasing the supply of people with technician and higher level skills in information and communications technologies (ICT) and other advanced technologies.

b. Making available better advice and support to small and medium sized enterprises (SMEs), through improved links with higher and further education, on the effective adoption of new technology and innovative business practices.

4. Bidding consortia must consist of at least one HEI, one FEC, and one private sector organisation. Consortia should decide their own composition and leadership, but in all cases an HEI will be required to take the lead for contracting purposes.

5. A total of £25 million in capital funding will be available over two years from April 2002 to establish NTIs. This funding allows for up to two NTIs in each region. Consortia will be expected to bid in parallel for additional student number places, so that the enhanced capital facilities can support expanded provision for students. Consortia will also need to demonstrate substantial contributions from other funding sources.

Action required

6. To minimise the burden for HEIs and FECs, there will be a two-stage bidding process, in which the first stage requires only initial outline proposals. First stage bids are invited by **Friday 19 October 2001.**

Background

7. In February 2001 the Government published its White Paper on enterprise, skills and innovation, 'Opportunity for all in a world of change'. This sets out the next steps that Government, business and individuals need to take to ensure economic success in the decades ahead. The package of measures announced in the White Paper included the establishment of New Technology Institutes.

Objectives

8. NTIs are intended to provide ICT and other advanced technology learning programmes, and to work closely with local SMEs to ensure they have the know-how to apply advanced technology. NTIs will:

a. Expand the supply of high-level skills training, to help meet the economy's growing need for people with knowledge and skills in ICT and advanced technologies. That in turn will contribute to enhancing regional capabilities for undertaking, and exploiting the results of, research and development.

b. Encourage lifelong learning, by giving new opportunities for those in employment to update and extend their knowledge and skills, and to progress from lower level programmes to higher education qualifications.

9. NTIs are thus part of the broader purpose of strengthening the contribution which HEIs and FECs make to economic development through promotion of a learning society and a knowledge-based economy. That broader purpose is being promoted through a range of knowledge transfer activities, including the Higher Education Innovation Fund (HEIF), described in HEFCE 01/34. NTIs will need to make appropriate links with other relevant activities, including university innovation centres, Faraday Partnerships, and Centres of Vocational Excellence.

10. NTIs are essentially regional and local in focus, not national. In considering bids, we will therefore want to secure a broad geographical distribution across the country. Our presumption is that there should be no more than two NTIs in each region. Two or more neighbouring HEIs and partner FECs can prepare collaborative bids if they believe that is the best way of meeting regional and local needs. We would also welcome any opportunities which NTIs see to use economies of scale and offer niche skills training across regional boundaries if they wish.

11. It will be for each consortium to decide the nature of ICT and advanced technology training provision which will best meet local and regional needs. For example, it could be generic or focused towards specialised areas. The main sources for identifying regional needs are the regional economic strategy, regional innovation strategy, and regional skills action plans for ICT and advanced technology training, prepared by Regional Development Agencies. Consortia should confer with their local Learning and Skills Councils (LLSCs) concerning their local skills priorities.

12. SMEs play a major role in local and regional economies and represent two-thirds of the IT industry. It is crucial therefore that they are helped to improve their business skills, technological know-how, innovation, and entrepreneurial skills. NTI consortia will need to demonstrate how, in partnership with key agencies such as the Small Business Service/Local Business Links, and LLSCs, they can help SMEs to develop by offering accessible, flexible advice and services. These should be designed to:

- encourage employer commitment to technician and higher level training
- in conjunction with the development and delivery of appropriate training, to advise and support SMEs on the effective adoption of new technology and innovative business practices
- increase entrepreneurialism and enterprise
- provide access for SMEs to consultancy services.

13. NTIs would be expected to use quantitative and qualitative local and regional market data (including labour market information where appropriate) to inform development of training programmes. They would also be expected to assess the economic impact of their activities, as a contribution towards evaluating the initiative.

What will NTIs do?

14. We want bidders to design their proposals in the way that they judge will best meet regional and local needs, against the objectives of the programme. There will be no single blueprint for an NTI. But we would expect the following activities to feature as core elements:

a. To offer high quality facilities for teaching ICT and advanced technology skills, from National Vocational Qualification (NVQ) level 3 to Foundation Degrees, for both full-time students and those in employment. The balance between programmes at level 3 and level 4 will be for each consortium to decide in the light of regional skills needs. NTIs will be expected to make an appropriate contribution to government participation and qualification targets by training 250 to 500 students per year each. Training should be innovative, flexible and 'user-friendly'. It should be designed to attract 'non-traditional' groups of students into advanced level training, and encourage them to progress from there into careers in IT and advanced technology.

b. To create pathways for students to progress from initial further education courses to more advanced qualifications at NVQ level 3 and 4, and on to honours degrees. New programmes need to be linked into existing ICT provision in the region.

c. To work with SMEs to increase the use of new technologies and innovative business practices. NTIs will be expected to make an appropriate contribution to government targets by providing services to 50 SMEs each year.

d. To collaborate with local employers, the Small Business Service/Business Links, National Training Organisations, Regional Development Agencies and LLSCs to identify skills gaps and to tailor course content, modes of delivery and the NTI's activities overall to meet regional labour market requirements.

15. In pursuance of these core features, we expect that NTIs will also provide work placement opportunities for students as an integrated part of their training; organise exchanges of staff between NTIs; and provide training sessions delivered on site with companies.

Characteristics of an NTI

16. To meet these objectives, NTI consortia will need to demonstrate:

a. A substantial track record in delivering similar training at NVQ level 3 (or equivalent) and above, so that new programmes can build on a successful base of regional and local ICT/technology skills development.

b. A substantial track record of successful provision and transfer of ICT and innovative business skills to SMEs.

c. A substantial track record of collaborating with local and regional partners, and contributing to regional training needs, including involvement with business and industry to ensure that courses and staff are up-to-date with the latest technological developments.

d. Additionality – that the funds requested will enable the consortium to offer new programmes and services that would not be possible with existing funding from the HEFCE or the Learning and Skills Council (LSC).

e. The ability to generate income and attract significant private sector funding as a means of sustaining NTI activity in the long term, through promotion, marketing and business planning.

Consortia

17. Consortia must consist of a minimum of one HEI, one FEC and an employer organisation. Facilities can be distributed throughout a region at different sites in line with regional requirements. But we would expect some form of identified centre for the NTI.

18. Consortia can select their own composition and leadership. But an HEI must be the contracting lead for HEFCE purposes, and will receive funding from us on behalf of the consortium. The contracting HEI will be responsible for distributing the funding among partners in accordance with their bid, and

supplying evaluation data on NTI performance. We are considering with the LSC the best method for distributing funds, given that NTI activities cover both further and higher education, in a way which will minimise the administrative load for consortia. The standard provisions of the HEFCE's Financial Memorandum with HEIs will apply.

Student places

19. A core purpose of NTIs is to expand the number of places available on higher level ICT/advanced technology programmes. We would welcome applications for additional funded places for the higher education element provided by NTIs, through our normal process for allocating additional student numbers (ASNs). We will consider those applications in conjunction with the ASN approval mechanism starting in the autumn. As with other ASN bids, we shall need evidence from consortia of the likely level of demand for the additional places they wish to offer. We shall not be ring-fencing any ASN places for NTIs, but will look sympathetically on all soundly-based proposals. Separate arrangements will apply to FE places funded through the LSC. Each consortium should secure provisional assurance from their local Learning and Skills Council that sufficient places will be available to meet the consortium's plans.

Selection process

20. We have considered how we can keep the administrative burden on HEIs and FECs to a minimum while still achieving the objectives of the programme. We concluded that, although the previous track record of consortia would be a major element in deciding how to award funds, it would not be possible to adopt a purely formulaic approach. This is because we expect more bids for funds than we have resources available. We will therefore be making judgements based on future plans as well as previous record.

21. In order to reduce the risk of wasted effort in preparing bids, the selection process will be in two parts. The first part requires only brief, outline bids, which can be submitted by consortia that believe they meet the criteria in this document. From those, we will invite a shortlist of consortia to prepare more detailed proposals for round two. The timetable is:

July 2001	Call for first stage bids
19 October 2001	Closing date for first stage bids
End November 2001	Response to first round bids, and invitation to shortlisted consortia to prepare second stage bid
21 February 2002	Closing date for second stage bids
18 April 2002	HEFCE Board decides successful NTIs; announcement shortly thereafter
Autumn 2002	First NTIs opened

22. Although most NTIs are expected to be established by autumn 2002, we are prepared to consider proposals for consortia to start in autumn 2003.

First stage bids

23. First stage bids should be made using the template at Annex A. As we only require outline proposals for the first stage, please keep to the specified word limits.

24. Bids should include:

a. Consortium members, including private sector organisation(s) and any other partner organisations which will make a significant contribution to the NTI. Outline support from relevant employer organisations should be included.

b. Fit with the priorities of the regional economic strategy prepared by the Regional Development Agency.

c. A summary of existing ICT/advanced technology programmes provided by consortium members, and existing services to

SMEs, to demonstrate the track record of members (see paragraph 16).

d. A summary of the additional outputs which the consortium intends to deliver for the funding, and how they would build on existing provision.

e. A summary budget and costings, with an indication of additional funding from other sources, including the private sector.

25. Stage one bids will be assessed in the light of regional needs, and judgements of how well each bid will meet those needs against the criteria set out in this document. We will also consider the geographical distribution of NTIs. Where there is overlap between stage one bids in a region, the assessment panel may recommend collaboration between consortia to maximise their ability to deliver the objectives of NTIs. Where this is the case, consortia will be informed as part of the stage one feedback.

26. In assessing bids, we will take account of any relevant information from the Quality Assurance Agency about existing HE programmes, and information from the LSC and its predecessor, the Further Education Funding Council, derived from the inspection of FECs.

27. The NTI Steering Group, with input from regional advisers and relevant local Learning and Skills Councils, will recommend jointly to the HEFCE and the LSC which proposals to shortlist for round two bids. The membership of the group is at Annex B. Successful stage one consortia will be notified by letter and given more specific guidelines on the contents of a second stage bid.

28. Second stage bids will need to include:

a. Targets for provision of additional higher level ICT/advanced technology training programmes, and for additional support activities for SMEs.

b. Commitment from the employer organisation(s) as member(s) of the consortium.

c. Details of the funding contributions to be made by the consortium partners or others.

d. A summary of collaborative arrangements with the major regional partners such as the Small Business Service, National Training Organisations, Centres of Vocational Excellence, Regional Development Agencies and LLSCs.

e. A summary statement of how consortium members will work together, and how the lead HEI will allocate funding between members.

Submissions

29. Stage one proposals should be completed using the template at Annex A. An electronic version of the template is available with this document on our web-site, www.hefce.ac.uk, under 'Publications'. Please submit four copies, single-sided, one of which should be unbound, plus an electronic version by e-mail. These should be sent **by Friday 19 October 2001 to:**

Nicola Oates
Institutions and Projects Directorate, HEFCE
Northavon House
Coldharbour Lane
BRISTOL
BS16 1QD
tel 0117 931 7308
e-mail n.oates@hefce.ac.uk

Annex A

New Technology Institutes: template for first stage bids

This template and the main document are available on our web-site www.hefce.ac.uk under 'Publications'. Please complete in clear typescript in a minimum of 10pt. Please submit four copies, single-sided, one of which should be unbound, plus an electronic version by e-mail. These should be sent by Friday 19 October 2001 to:

Nicola Oates
Institutions and Projects Directorate, HEFCE
Northavon House
Coldharbour Lane
BRISTOL
BS16 1QD
e-mail n.oates@hefce.ac.uk

Please structure your proposal under the following headings.

1. Consortium members for the NTI (indicate whether HEI, FEC or private sector organisation).

2. Contact person for further details (name, telephone number and e-mail address).

3. Name of contracting HEI.

4. Total funding requested from the HEFCE.

5. Total funding expected from other sources.

6. Summary of existing track record in provision of ICT/advanced technology training and services to SMEs. (Maximum 300 words.)

7. How does your proposal address regional economic priorities? (Maximum 300 words.)

8. What do you propose to deliver through the NTI, and how will those additional outputs build on existing provision? Where possible include indications of target numbers, etc. (Maximum 300 words.)

9. Outline budget and costings. (Maximum 300 words.)

10. Other supporting information. (Maximum 600 words.)

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Annex B

New Technology Institutes Steering Group

Derek Hicks (Chair)	HEFCE
Mr Greg Cejer	Learning & Skills Council
Mr Leigh Hackel	Department for Education & Skills
Mr Mark Hambly	Department of Trade & Industry/Small Business Service
Ms Mary McAleese	Department for Education & Skills
Mr John Parsonage	South East England Development Agency (SEEDA) Learning & Skills
Mr Phil Puddefoot	Ufl learndirect Ltd
Ms Sheila Watt	HEFCE
Mr Terry Watts	e-skills National Training Organisation

Observers

Mr Paul Spencer	Yorkshire Forward
Mr Jeremy Taylor	HM Treasury

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